

18 October 2023

Ofwat  
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7 Hill Street  
Birmingham  
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By email: [in-periodODIs@ofwat.gov.uk](mailto:in-periodODIs@ofwat.gov.uk)

Dear colleagues,

## **DRAFT DETERMINATION OF SOUTH WEST WATER'S IN-PERIOD OUTCOME DELIVERY INCENTIVES FOR 2022-23**


We welcome the opportunity to respond to Ofwat's Draft Determination of South West Water's (SWW) in-period outcome delivery incentives for 2022/23. We have no comments to make as the interventions taken and the C-MeX and D-MeX performance payments align with our understanding.

While we are disappointed with that update to private sewer length (which are included in sewer collapses) cannot be used in the ODI calculation, we understand Ofwat's intervention. We are keen to ensure that consistent data is used in all reporting, and where better data is available it is used for industry comparisons, even where performance incentives should not change. This is important where the Environment Agency uses the data as part of its analysis and reporting. As we set out as part of our PR24 plan, scaling metrics in general are less clear and subject to greater uncertainty in measurement than absolute targets.

For the Bristol Water area, we have undertaken a review of our peak week production capacity (PWPC) figures that form part of the calculation of unplanned outage. We confirmed in query response BRL-APR-IP003 that there was no impact on ODI payments for 2022-23 or prior years, as performance fell outside of the underperformance payment range, and we confirm the revised data in an appendix to this letter. Due to the volume of work, the assurance on this revised data is now planned on 19 October 2023 and we will forward the report from our external assurer as requested in the draft determination once we have.

We can confirm that since the publication of our Annual Performance Report there are no changes identified that would require us to propose changes to your draft determination.

Yours sincerely



**Iain McGuffog**  
Director of Strategy and Regulation

**Appendix**

|                                     | 2020/21 | 2021/22 | 2022/23 |
|-------------------------------------|---------|---------|---------|
| Previous Annual Performance Reviews | 0.20%   | 1.74%   | 6.21%   |
| Updated for reduced PWPC            | 0.21%   | 1.82%   | 6.36%   |